

# All Who Are Interested In The Automobile World, See What's Doing

**WILLIAM C. DURANT, Master Man of the Motor World.**

A MAN of fifty-four, who weighs less than 130 pounds but has an astonishing capacity for work, has an office way over on Eleventh Avenue at Fifty Seventh Street. From his office windows he can look far up the broad reaches of the majestic Hudson and out upon the towering piles that form the skyline of New York. The great structures are monuments to the energy and genius of various men, but few of these men have done anything so wonderful as the slender man in that little Eleventh Avenue structure. He is the master of the motor world, the genius of the automobile field. He is William C. Durant.

Most captains of industry had rather humble beginnings. Durant hadn't. He is a blue-blooded Yankee. His grandfather was that distinguished New Englander Crapo, who left Massachusetts, made a fortune in lumber in the Northwest and who was Michigan's war governor. W. W. Crapo, long a member of Congress from Massachusetts, was his uncle. Usually the Blue-stockings were not remarkable for their business acumen, but Durant is the exception. He has proven himself a genius as a builder, a wonder as a manufacturer, a marvel as a distributor, and, perhaps the greatest salesman America has produced. His mind works like the finest and most delicate piece of machinery. He looks none too robust, but he thrives on work. Some days he gets to his office over there on Eleventh Avenue at 5 a. m. and does a day's work before the ordinary business man gets to his desk. He never hurries and he never seems to tire.

Durant was born in Boston and was taken out to Michigan when he was a child. He lived in Flint and when he was seventeen he went to work as a mill hand in his grand-father's establishment. After he had learned the manual part of the lumber trade he was taken into the office.

Before he was twenty-one he gave evidence of unusual ability. The Flint City Water Works Company was in bad shape. He took hold of it and put it on its feet. He was so successful in that undertaking that several other corporations were placed in his charge. He reorganized them and set them straight.

At twenty-four he came to the conclusion that the two-wheeled roadster had possibilities among the farmers and farm boys far beyond any other vehicle that was on the market. He went into the manufacture of that class of conveyance extensively. He called it the Blue Ribbon Roadster, and in a few years his business had broadened so much that he had the largest vehicle or carriage plant in the world. It was called the Durant-Dort Company. He made a fortune.

One fine thing about William C. Durant is that he has vision. He always looks ahead. He doesn't cling to ideas when he knows they are unsound. He saw that the high priced carriage would not do so well into the manufacture of low priced vehicles—buggies. This departure was a pronounced success. Within a few years he was manufacturing 100,000 a year. Finally this grew to 150,000 a year.

Just as he saw that the high priced carriage was to be supplanted by the low priced so he saw that the horse drawn conveyance was to be superseded by the automobile. He was one of the first to enter the field of manufacture of motor cars. He founded the Buick. It was a fine success. He is a great man for knowing what the people want. The Buick grew and grew and grew. In 1907, during the panic, when all America was in the throes of

financial paroxysms, and industry was prostrate, he never stopped laying brick or putting in machinery. He had 13,000 men working in one plant.

The Buick was not big enough for his ambition. He saw economy in co-operation, in amalgamation, in unification. In 1908 he, singly, formed the General Motors Company, bringing in the Cadillac, the Oldsmobile, the Oakland, the Buick, the Northway and Motor Company and a number of concerns that make automobile accessories. No man in America was better equipped to operate such a combination of plants economically. He is a great hand for the elimination of waste. When he was in the carriage business he bought hickory forests in Arkansas and Mississippi so that he would have control of all the hickory he required. He established his own wheel plants, his spring works, his agricultural factory, an establishment for the making of whip sockets and a varnish factory. That varnish plant is one of the largest in the world. He had plans for everything relating to the automobile industry just as he had in the other branch of the vehicular manufacturing trade.

To develop a combination such as the General Motors was destined to be required a lot of money. The company's business expanded rapidly and General Motors made a lot of money. In 1909 it showed a profit of \$9,721,963.91. In 1910 its profits were \$11,090,753.72.

Despite these tremendous earnings it required more money and he had to have it at once. To keep pace with the unprecedented growth of the business, additions had to be made to plants, newer and more elaborate machinery installed and a thousand and one expenditures made which would result in later profit but meant immediate outlay. In October, 1910 Mr. Durant negotiated a \$15,000,000 loan for the company. It was a most unpropitious time for the borrowing of money. Many persons of substance and importance were predicting that the automobile was doomed. The motor car was considered to be all right as a luxury but not of practical utility. Durant on the contrary, said it hardly had begun to grow. He predicted that within eight or ten years the country would be producing 500,000 automobiles a year. He predicted that the industry would have difficulty in keeping pace with the demand.

Few persons thought his ideas were correct. They respected him as a successful manufacturer who had proven the soundness of his judgment in other lines but they thought he overestimated the possibilities of the automobile.

Most of the New York bankers thought he was too optimistic. Money was none too free at the time. Despite the fact that General Motors had sold at 150 and was making money, the lending of \$15,000,000 seemed a risk. The loan was made, but a voting trust was created by the bankers for the period of five years covering the loan.

Upon the creation of the voting trust, Mr. Durant decided that the greatest opportunity open to him at the time was in the making of a medium size car. His ideas have taken form in the vehicle known as the Chevrolet. He spent three or four years getting ready, and it was not until 1913-14 that he completed the Chevrolet. His vision of the Chevrolet was much like that of Henry Ford in the creation of the Ford—a car of wonderful utility, strength and durability and yet simply made and moderate priced. In making the Chevrolet there is no competition in any way with General Motors.

Although he gave all his attention to the Chevrolet after the loan, one of his lieutenants, Charles W. Nash, was president of the General Motors. Nash, who had been a farm hand, had come to Durant's carriage factory and worked for \$2 a day. He had shown so much native ability and skill that he had been promoted, first to be foreman and then superintendent of the Durant-Dort Co. Nash was in that position when Durant lifted him up to the General Managership of the Buick.

In the five years that the General Motors was under the voting trust, Mr. Durant never sold a share of the stock. Neither did any of his friends. It declined to 30. When the notes were paid in full, last October he bought back at 500, shares that had been offered to him at 30.

Barring Bethlehem Steel there is nothing in recent stock market history to compare with the tremendous appreciation in the value of General Motors stock. From 30 it climbed to 558. At the recent annual meeting, Mr. Durant was returned to the control of the company he created.

Motors always has paid 7 per cent on its preferred. A few months ago it paid a 50 per cent dividend on the common and just recently the common was placed on a twenty per cent a year—5 per cent quarterly—dividend basis with very good prospects of melon cutting at the end of each year.

General Motors today is doing a business of \$120,000,000 a year. Its common stock is only \$14,000,000 and its preferred \$16,000,000. Every financial forecast made by Durant as to the prospective earnings of the company or any unit of it has been verified and more than verified. Every forecast he ever has made in regard to the development of the automobile business itself has been verified and more than verified. The automobile men call him the wizard. They credit him with knowing more about the automobile and its possibilities than any other living man. He has greater plans for the General Motors than in the past. As a part of this plan he proposes to make Chevrolet the head of all his automobile interests, General Motors stock being exchanged for Chevrolet on a basis of one share of General Motors for five of Chevrolet. Chevrolet has \$80,000,000 of common stock. There is no bonded indebtedness.

The Chevrolet company itself is a young giant. Although only two years old it is shipping cars to every part of the world. It hardly can keep up with its expanding demands. There are nine units to the concern. There is the Chevrolet Motor Company, of Delaware, which is the holding company. There is the Chevrolet Motor Company, of New York, with plants at Tarrytown and New York City. There is the Chevrolet Motor Company, at Flint, where there is an enormous plant. Then there are proposed plants at Oakland, Calif.; St. Paul, Minn.; St. Louis, Mo.; Atlanta, Ga.; Dallas, Tex.; and Oshawa, Canada.

Talk about romance and money, there is nothing like the automobile trade for furnishing them. Aside from the tremendous profits he has made as a manufacturer, builder and distributor, Mr. Durant might have made a fortune comparable to that of Carnegie in a few years if a few men with money could have seen the automobile business as he saw it. He was in New York one day and had a chat with Henry Ford at the Belmont Hotel. Mr.

Ford had not developed the Ford car then to what it is today. He thought he had enough money. He was none too well. He was ready to retire. He gave an option on the Ford Motor Works to Mr. Durant. He offered to sell the whole plant for \$8,000,000 or a three-quarter interest for \$6,000,000.

Mr. Durant tried to get some moneyed men to join him in buying the Ford establishment. They told him "no." They pointed to the fact that the bankers were sending bulletins throughout the country that the automobile business had to be discouraged. They didn't have any faith in it and there was so much financial unrest, and the whole automobile business seemed so shaky that they were inclined to shoo out of any bank any man who talked automobile to them. On its present earnings \$250,000,000 is a modest price for the Ford establishment.

One year before he bought the Cadillac, Mr. Durant had an option on it for \$2,500,000. He couldn't swing the deal at the time, and when he did buy the company he paid \$4,750,000 for it. At that it was a wonderful bargain. The plant paid for itself within two years after it was acquired.

The men who have made money in automobiles with a few exceptions, have been permanent investors, not promoters, speculators or traders. They have selected their companies with great care and regardless of the fluctuations of the market have put their stock certificates away in the strong box and in the final analysis reaped large fortunes. One person connected with the automobile trade has made a list of 182 men with whom he is acquainted who have made from \$100,000 to \$6,000,000 out of automobiles in the last ten or twelve years by following Mr. Durant without speculating to the extent of a penny. The automobile companies that have had real success are those that have been managed by the men who are manufacturers, distributors, salesmen. Therein lies much of the stability and sanity of the industry. No other young industry has been handled with such efficiency, economy and intelligence as the automobile business and the explanation lies in the fact that it has been held almost exclusively in the control of practical men who have been developed in the automobile trade.

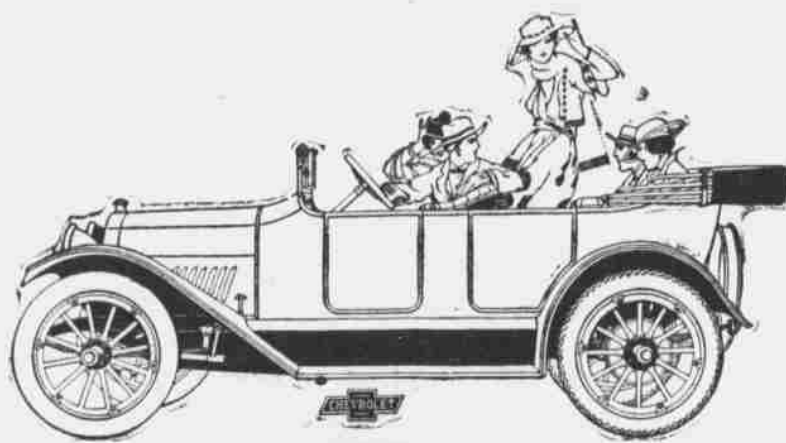
The combination of the Chevrolet and the General Motors means no change in operating forces. The great business of the General Motors has been organized on a high plane of excellence. In the General Motors factories 25,000 hands are employed. With the broadening of the business this force will be enlarged. In the Chevrolet at present 3,500 are employed. This force may double or treble in the next few years. Every plant of the Chevrolet and General Motors is animated by the spirit of William C. Durant. As an economist and efficiency engineer William C. Durant might have made a high mark in life if he had not made a higher one as a great captain of men.

There seems to be a drift toward assembling the automobile plants of America in four or five groups. Highly organized, admirably managed and operating under that fine system of "co-operative competition," which has saved the industry from pitfalls other great businesses have tumbled into this would be a wise move. In these groups it is inevitable that Mr. Durant will head one of the largest. This is fitting, for no man has played a larger part in the progress of the motor car.

—New York Commerce and Finance, January 26th, 1916.

**Another car load of Chevrolet Cars was received by us Tuesday. This car contains six automobiles and is the tenth car load shipped to us.**

**Our repair department is in charge of Mr. Mabry, who was with the Buick people for six years. All kinds of supplies furnished.**



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